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Message Text

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71
ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 IO-12 SCI-06 EPA-04

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FM AMEMBASSY PARIS
TO SECSTATE WASHDC 9067

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E. O. 11652: N/ A
TAGS: ETRN, FR
SUBJECT: CIVAIR: FRENCH INCREASES IN AIRPORT CHARGES

REF: STATE 59702

1. SUMMARY: HIGHER LANDING FEES PLANNED BUT NOT YET INTRODUCED. AIRPORT TAX ALSO TO BE INCREASED. CARRIERS WOULD APPEAR HAVE ADEQUATE ADVANCE NOTICE THROUGH IATA WHICH INFORMED, EXCEPT FOR NOISE TAX FOR WHICH CHANCES REMOVAL ARE NIL. WE COULD CITE HIG ER LANDING FEES AND RESULTANT ADDED COSTS AS " EXOGENOUS FACTOR" AFFECTING OUR EVALUATION PENDING FRENCH ROUTE REQUESTS, BUT THIS NOT LIKELY BE VERY PERSUASIVE. MULTIPLE DEMARCHES SEVERAL CAPITALS MIGHT BE MORE EFFECTIVE ALTERNATIVE COURSE. END SUMMARY.

2. CONTRARY PARA 2 REFTEL GOF HAS NOT ANNOUNCED INCREASE IN LANDING FEES. ACCORDING SGAC, HOWEVER, INCREASE IS ENVISAGED THOUGH NOT YET FULLY CLEARED WITHIN GOF. FOR PARIS AIRPORTS LANDING FEES WOULD BE INCREASED BY 10 PERCENT JULY 1, 1973, THEN BY 5 PERCENT ON JANUARY 1, 1974. FOR PROVINCIAL AIRPORTS INCREASE WOULD BE 5 PERCENT JULY 1, 1973, AND ANOTHER 5 PERCENT JANUARY 1, 1974. SGAC HAS APPRISED IATA REP OF PROPOSED INCREASES.

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3. IATA ALSO INFORMED BY SGAC OF GOF INTENTION INCREASE IN NEAR FUTURE PARIS AIRPORT TAX FROM PRESENT 10 FRANCS TO 13.50 FRANCS PER PASSENGER EMBARKING. (THIS APPEARS BE " VARIABLE ELLEMENT" REFERRED TPARA 2(B) REFTEL. IT NOT PARAT OF LANDING FEE PER SE.)

4. " NOISE TAX" (PARA 2 A REFTEL) EFFECTIVE MARCH 1 INSTITUTED BY DECREE OF FEBRUARY 13 PUBLISHED JOURNAL OFFICIAL OF FEBRUARY 27. DECREE DEFINES IT AS " PARAFISCAL TAX." AIRLINES RESPONSIBLE FOR COLLECTION AND PAYMENT OF TAX FOR PASSENGERS DEPARTING ORLY AND LE BOURGET AIRPORTS. PROCEEDS EARMARKED FOR FINANCING NOISE ABATE-MENT IN COMMUNITIES SURROUNDING ORLY AND NEW ORISSY AIRPORT, WITH FINANCING TO BE SUPPLEMENTED BY SPECIAL LOAN TO BE FLOATED BY PARIS AIRPORT AUTHORITIES AS WELL AS POSSIBLE FUNDS FROM LOCAL AUTHORITIES. ACCORDING TRADE PRESS, NOISE TAX WAS OPPOSED BY ALL CARRIERS. DIRECTOR UTA HAS PUBLICLY ATTACKED IT. HOWEVER, TAX SEEMED TO HAVE BEEN CAREFULLY CONSIDERED WITHIN GOF (DECREE COUNTERSIGNED BY FIVE MINISTERS PLUS PRIME MINISTER), AND MESSMER HAS CITED AS POSITIVE MEASURE IN PUBLISHED LETTER TO PRESIDENT CITIZENS' COMMITTEE FORMED TO PROTEST AIRPORT NOISE.

5. LOCAL PANAM REP' S CONCERN OVER NOISE TAX APPEARS CONFINED EFFECTS ON OVERHEAD OF ADDITIONAL ADMINISTRA-TIVE BURDEN COLLECTING TAX AT AIRPORT COUNTERS. COULD CARRIERS NOT PETITION CAB FOR PERMISSION INCLUDE IN TICKET COST WHICH WE UNDERSTAND TO BE PRACTICE FOR PRESENT (AND PRESUMABLY INCREASED) PARIS AIRPORT TAX? EMBASSY UNAWARE HOW THESE ADDED TICKET COSTS WOULD BE TAKEN INTO ACCOUNT RE PRESENT IATA RATE STRUCTURE.

6. EXCEPTING NOISE TAX, EVIDENT FROM FOREGOING THAT THERE APPEARS BE NO BASIS AT PRESENT COMPLAIN TO FRENCH AUTHORITES OVER FAILURE GIVE ADEQUATE ADVANCE NOTICE SINCE OTHER MEASURS IN QUESTION NOT YET INTRODUCED OR ANNOUNCED. WHILE NOISE TAX WAS INTRODUCED AT SHORT NOTICE, WE DOUBT WHETHER MUCH TO BE GAINED FROM SINGLING OUT AND PROTESTING THIS FACT SINCE CHANCES OF OBTAINING REMOVAL ARE NIL, COST OF TAX BORNE BY PASSSENGERS AND NOT AIRLINES, AND GOF UNLIKELY BE SWAYED BY ARGUMENTS

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FOREIGN CARRIERS SINCE APPARENTLY WENT AGAINST WISHES

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ITS OWN NATIONAL CARRIERS IN NTRODUCING TAX. AND HOWEVER WE MIGHT DISAGREE ON HOW NOISE ABATEMENT SHOULD BE FINANCED, WOULD BE DELICATE FAULT FRENCH ACTION GIVEN OUR OWN STRONG PREOCCUPATION ENVIRONMENTAL PROBLEMS INCLUDING AIRCRAFT NOISE BOTH SUBSONIC AND SUPERSONIC.

7. EMBASSY AWARE U. S. CARRIERS' CONCERN HIGHER LEVEL LANDING FEES MANY FOREIGN AIRPORTS INCLUDING PARIS AS COMPARED FEES CHARGED U. S . AIRPORTS. UNLESS FEES CHARGED AT PARIS AIRPORTS ARE DISCRIMINATORY, WHICH IS NOT THE CASE, THERE IS NO BASIS COMPLAINT UNDER ARTICLE III(A) OF U. S.- FRENCH AIR TRANSPORT BILATERAL. SGAC CONTENDS PROJECTED INCREASE IN LANDING FEES DICTATED BY BUDGETARY REAONS RELATED AIRPORT OPERATING COSTS, WHICH PRESUMABLY WE CANNOT QUESTION. SINCE AIRLINES ALERTED THROUGH IATA TO INCREASE IN LANDING FEES PROPOSED TO BECOME EFFECTIVE ALMOST THREE MONTHS HENCE, THEY WOULD APPEAR HAVE SUFFICIENT TIME CONVEY THEIR VIEWS DIRECTLY TO GOF AUTHORITIES. TO TEXTENT DEPARTMENT WISHES GO ON RECORD SUPPORTING THEIR CASE, WE COULD REGISTER CONCERN WITH GOF OVER IMPACT ADDED COSTS FOR U. S. CARRIERS AS " EXOGENOUS FACTOR" IN BALANCE OF BILATERAL AIR TRANSPORT BENEFITS WEIGHED BY U. S. IN EVALUATION FRENCH ROUTE REQUESTS. HOWEVER, THIS LIKELY NOT BE VERY PERSUASIVE SINCE FRENCH COULD REBUT THAT EFFECT OF FACTOR CANCELLED OUT BY SAME IMPACT HIGHER LANDING FEES ON OPERATING COSTS AIR FRANCE. MOREOVER, OUR LEVERAGE LIMITED BY FRNCH REALIZATION THAT FOREGOING INCREASE LANDING FEES AT OUR URGING WOULD SIMPLY MEAN STATUS QUO ANTE OF U. S. COOLNESS FRENCH ROUTE REQUESTS (AS EVIDENCED RECENT BILATERAL TALKS IN WASHINGTON).

8. IN SUM, BILATERAL APPROACH TO GOF TO HEAD OFF INCREASE IN LANDING FEES UNLIKELY TO HAVE MUCH PRACTICAL EFFECT. OTHER COUNTRIES (E. G., AUSTRALIA, JAPAN, U. K.) O HAVING LANDING FEES EVEN HIGHER THAN FRENCH, HOWEVER, WHICH SUGGESTS CONSIDREING POSSIBILITY U. S . DEMARCHES IN SEVERAL CAPITALS INCLUDING PARIS URGING DONWARD REVISION LANDING REES AND INITIATING EXPLORATORY TALKS TO THAT END. MULTIPLE DEMARCHES WOULD GIVE GREATER

WEIGHT EXPRESSION OUR CONCERN, APPEAR TO SELF- INTEREST (E. G., AIR FRANCE BENEFIT FROM REDUCTION HIGH LANDING FEES ELSEWHERE), AND ALSO STILL ENABLE POSTS SITUATE INDIVIDUAL DEMARCHES IN SPECIAL CONTEXT U. S. BILATERAL AIR TRANSPORT RELATIONS WITH HOST COUNTRY. IF THERE ARE OTHER

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GOVERNMENTS WHICH SHARE OUR CONCERN, THEY MIGHT BE WILLING
TO ASSOCIATE THEMSELEVES WITH US IN SUCH A MULTILATERAL
DEMARCHE.

DECONTROL FOLLOWING APRIL 9, 1974.
IRWIN

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